GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4119
ANSWERED ON:27.03.2017
Black-Marketing of Petroleum Products
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Oil Marketing Companies (OMCs) conduct surprise inspection in order to check the black-marketing of petroleum products;
(b) if so, the details thereof along with the number of cases of black-marketing found during the last three years and the current year and the action taken by the Government in this regard;
(c) whether any nexus between the officials of OMC and black-marketers has been reported/noticed by the Government and if so, the details thereof; and
(d) the provisions made by the Government to resolve the said problem along with the implementation status of the said provisions?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) & (b) : Public Sector Oil Marketing Companies (OMCs) undertake regular and surprise inspection of Retail Outlets and take action under the provisions of the Marketing Discipline Guidelines (MDG) and Dealership Agreements against the outlets found indulging in irregularities/malpractices including black- marketing. OMCs also carry out surprise inspections at distributors premises, conduct refill audits, checks at customers premises, en-route checking of delivery vehicles etc. to check black marketing and pilferage of LPG cylinders. OMCs take punitive action under the prevailing Marketing Discipline Guidelines (MDG) and the Distributorship Agreement against LPG distributors whenever irregularities are detected.
OMCs have reported, the details of inspections conducted and number of cases of black marketing detected by OMCs during last three years and current year (April − December, 2016) as given below :
Contdâ€¦.2/-

(c) : OMCs have informed that there is no established case of nexus between their officials and black marketers.
(d) : In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), in order to regulate the marketing of petroleum products and Liquefied Petroleum Gas (LPG), the Central Government has enacted the following Control Orders :
(1) Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993;
(2) Petroleum Products (Maintenance of Production, Storage and Supply) Order, 1999;
(3) Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of use in Automobiles) Order, 2000;
(4) Naphtha (Acquisition, Sale, Storage and Prevention of use in Automobiles) Order, 2000;
(5) Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000;
(6) Motor Spirit and High Speed Diesel (Regulation of Supply and Distribution and Prevention of Malpractices) Order, 2005;
Under these Control Orders, the State Governments are also empowered to take action against those indulging in malpractices such as black marketing of petroleum products and LPG.
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Retail Outlets	SKO Dealerships	LPG Distributors
No. of inspections		
650272	54086	133715
No. of cases of Black Marketing (Overcharging/Unauthorized Purchase/Sale)		
80	12	1931